

30 JUL 1966

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MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Draft Agency Notice Regarding Administrative Expenses Act

1. This memorandum is for information only.
2. Attached is a draft Agency Notice describing as best we can at this point the benefits contained in the new amendment to the Administrative Expenses Act pertaining to travel and transportation. This draft Notice is based upon Bureau of the Budget Transmittal Memorandum No. 6 which states that many of the benefits cannot be applied until new regulations are issued by the President, which will be done within 90 days. When the regulations are issued, expenses incurred after 21 July 1966 will be paid retroactively. The attached Notice urges employees to keep careful records of such expenses so that they may be reimbursed when the regulations are issued.
3. This draft Notice is now being checked by General Counsel; and with minor editorial changes, we expect to have it distributed next week.

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R. L. Bannerman
Deputy Director
for Support

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**ADDITIONAL EMPLOYEE TRAVEL BENEFITS APPLICABLE TO
DOMESTIC PERMANENT CHANGE OF STATIONS**

1. On 21 July 1966 the President approved Public Law 89-516 which amended the Administrative Expenses Act of 1946 to provide for reimbursement of certain additional moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States. The law became effective upon being signed by the President. The legislation does not cover employees who are reimbursed for moving expenses under other statutes, e.g., the Foreign Service Act and the Overseas Differential and Allowances Act.

2. Bureau of the Budget Transmittal Memorandum No. 6 dated 26 July 1966, covers two aspects of the new law (1) the increase in the statutory maximum allowance of household goods of employees who transfer and of certain new appointees from 7,000 pounds to 11,000 pounds, and (2) the necessity for an agreement by the officer or employee transferring within the continental United States, excluding Alaska, that he will remain in Government service for twelve months following his transfer. The Circular also states that the remaining provisions of the Act are subject to regulations, which, under the terms of the Act, must be issued within 90 days after enactment. However, it is important that affected employees take certain precautions and maintain appropriate records as to dates, expenses, etc., with respect to those transfers that might take place between the date of enactment and date of issuance of the regulations.

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3. The remaining provisions of the new law which are subject to the ~~Bureau~~ ~~Statute~~
yet to be issued regulations as described cover the following types of expenses:

a. Family travel expenses. The bill authorizes payment of a per diem allowance for members of employees' immediate families while traveling to the new official stations.

b. Subsistence expenses while occupying temporary quarters. The bill allows payment of subsistence expenses (on actual expense incurred, not on a per diem basis) of the employee and his immediate family on a graduated basis for a period up to thirty days while occupying temporary quarters at the new duty station. A thirty-day extension of this provision may be granted to employees transferring to or from Hawaii or Alaska, the territories or possessions, Puerto Rico or the Canal Zone.

c. Payment of transportation expenses. The bill authorizes payment of transportation and per diem allowances in lieu of subsistence expenses, for employees and their spouses for one round trip between their old and new stations for the purpose of seeking permanent residence quarters before the transfers take place.

d. Real estate transactions. The bill authorizes reimbursement of expenses actually incurred by employees in settling unexpired leases or selling their homes at the old stations and buying homes at the new stations. (Does not apply when either the old or the new stations, or both, are located in a foreign country.)

e. Family or self allowance. Under such regulations as the Bureau of the Budget prescribes, and to the extent deemed necessary and appropriate, the bill authorizes payment of a cash allowance to the employee

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to assist him in defraying a wide variety of expenses which are normally incurred in moving to new stations and for which reimbursement is not otherwise authorized. An employee with an immediate family receives an allowance equal to two weeks of his basic compensation; a single employee, one week.

f. Storage of goods. Storage of household goods and personal effects for up to three years is authorized for an employee assigned to an isolated location within the continental United States, at which no residence quarters other than barracks or furnished rooms are available.

4. It should be borne in mind that the Act includes qualifying or limiting terms in a number of instances such as "under such regulations", "to the extent deemed necessary and appropriate", "for reimbursement of all or part", "not in excess of", as well as certain specific exclusions. Hence the final regulations will necessitate taking into consideration those qualifications and limitations. This could mean a lower reimbursement entitlement under certain provisions of the Act than might be anticipated from a casual reading of amendments to the Act.

5. Changes or modifications to appropriate Agency regulations will be issued as soon as possible. In the meantime, since payment will undoubtedly be made after the move takes place if such move occurs within the next ninety days, employees are urged to keep careful records of expenditures and the circumstances under which they are incurred.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

R. L. BANNERMAN
Deputy Director
for Support

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